

**EXHIBIT 9-F**  
**SAMPLE COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACT**  
**(FOR PUBLIC FACILITIES PROJECTS)**

**CONTRACT #MT-CDBG-0\_PF-\_\_**

***[Note: This is an example only. Each contract will require its own specific information.]***

This Contract is entered into by \_\_\_\_\_, (the Grantee), and the Montana Department of Commerce, Helena, Montana, (the Department).

The Grantee and the Department agree to the following terms:

**1. PURPOSE**

The purpose of this Contract is to provide funding for project activities approved by the Department under the Montana Community Development Block Grant Program (CDBG) for FY 2005.

**2. APPLICATION INCORPORATED BY REFERENCE**

The Grantee's application for CDBG assistance is incorporated into this Contract by this reference and the representations made in the application are binding upon the Grantee.

**3. ACCEPTANCE OF CDBG PROGRAM REQUIREMENTS**

The Grantee will comply with the Certifications for Application as signed and submitted with the Grantee's CDBG application. The Grantee will comply with all applicable parts of Title I of the Housing and Community Development Act of 1974, as amended; the applicable Department of Housing and Urban Development (HUD) regulations in 24 CFR Part 570, as now in effect or as they may be amended during the term of this contract; all requirements established by the Department; applicable State and federal laws, regulations, administrative directives and procedures; and local ordinances and resolutions.

The Grantee agrees that all contracts entered into by it for the completion of the activities described in Section 5 of this Contract will contain special provisions requiring contractors to comply with all applicable state and federal requirements.

The Grantee expressly agrees to repay to the Department any funds advanced to the Grantee under this Contract which the Grantee, its subcontractors or subrecipient entities, or any public or private agent or agency to which it delegates authority to carry out portions of this Contract expends in violation of the terms of this Contract or the federal and state statutes and regulations governing the CDBG Program.

#### 4. EFFECTIVE DATE AND TIME OF PERFORMANCE

This Contract takes effect upon execution by the parties and will terminate upon completion of the final project closeout by the Department. The activities to be performed by the Grantee will be completed according to the implementation schedule included as Attachment A to this Contract, which by this reference is made a part of this Contract. The Department may request a revised implementation schedule when deemed appropriate.

#### 5. SCOPE OF ACTIVITIES

The Grantee will engage in the activities set forth in the Grantee's application for CDBG grant assistance, which by this reference is made part of this Contract. The major components of the project include:

- ...;
- ...; and
- administration of this Contract.

The project will be constructed as described in engineering plans and specifications submitted by the grantee and approved by the Montana Department of Environmental Quality.

#### 6. BUDGET

- (a) The total amount of this Contract will not exceed \$\_\_\_\_\_.
- (b) A copy of the preliminary project budget is included as Attachment B to this Contract, and by this reference is made a part of this Contract and binding upon the Grantee. After construction bids are awarded or other major project activity cost elements are determined, the Grantee will provide the Department with a revised project budget.
- (c) Budget adjustments must be approved in advance by the Department. For adjustments between line items of the CDBG portion of Attachment B, in an amount not to exceed \$5,000, Department approval of the Request for Payment form will constitute approval of the budget adjustment. The Grantee must describe the rationale for a budget adjustment in the Project Progress Report and the adjustments noted in the request for Payment and Status of Funds Report submitted with draws against the grant funding reserve. Budget adjustments in excess of \$5,000 are subject to written Department approval.
- (d) The Grantee will expend program income it receives before requesting additional CDBG funds. The Department will deduct the amount of program income on hand, shown on the drawdown form, from the amount requested by the Grantee. This

program income will be treated as additional CDBG funds and will be subject to all applicable requirements governing the use of CDBG funds. The Grantee will record receipt and expenditure of program income as part of the financial transactions of the grant program. If the Grantee anticipates program income after project closeout, a program income plan must be developed and submitted for review and written approval by the Department at the time of closeout. At the time of closeout, the Department will specify the conditions and requirements that will apply to program income received by the Grantee after project closeout.

## 7. AMOUNT OF GRANT AND METHOD OF PAYMENT

- (a) The Department will authorize the Grantee to draw up to \$\_\_\_\_\_ against the funding reserved for it by the Department.
- (b) The Department will not reimburse any costs incurred by the Grantee prior to the date the contract takes effect.
- (c) The Department will reimburse all eligible expenses incurred in furtherance of this Contract as provided in this Contract and upon approval by the Department of the Grantee's request for Payment. The Department agrees to reimburse the Grantee for successfully completing the activities set forth in Section 5. SCOPE OF ACTIVITIES, as the Grantee incurs project costs. In drawing against the reserved amount, the Grantee will follow the instructions supplied by the Department.
- (d) The Department will reimburse the Grantee for approved, eligible and necessary expenses according to the documentation submitted by the Grantee to support the expenditures. The Department will not reimburse the Grantee for any costs incurred prior to the date the contract takes effect, nor for any expenses not included in the approved budget or not clearly and accurately supported by the Grantee's records. Any authorized funds not expended under this grant will revert to the Department and will be used to finance other CDBG projects.
- (e) The reimbursement of eligible costs incurred is contingent upon the Grantee's completion of Section 15. SPECIAL PROJECT START UP CONDITIONS. **In the event the Grantee is unable to comply with the terms and the conditions of this Contract, any costs incurred will be the Grantee's sole responsibility.**
- (f) The Department will withhold two percent of the total authorized grant amount, until all tasks outlined in Section 5. SCOPE OF WORK are completed and approved. Within 60 days after the completion of the project, the Grantee will prepare and submit to the Department a Project Completion Report in the form prescribed by the Department. The Department will disburse the retainage upon receipt and approval of the Grantee's Project Completion Report. Prior to receipt of the Project Completion Report, the Department liaison may authorize release of part or all of the retainage when situations occur that would result in an undue financial hardship on the Grantee, providing the Grantee has demonstrated effective overall management of the current project and, when applicable, satisfactorily managed any earlier CDBG projects.

- (g) If the actual total cost of completing the project is less than has been projected by the Grantee in the preliminary budget (Attachment B), the Department may, at its discretion, reduce the amount to be provided under this Contract in proportion to the overall savings. If actual construction bids are less than the estimates included in the preliminary budget, the construction budget in the CDBG Contract will be established at the bid price, plus a ten percent contingency. The difference between actual project costs and the original grant award will be reallocated by the Department for unfunded or inadequately funded projects or added to the following year's CDBG allocation.
- (h) If the Department determines that the Grantee has failed to satisfactorily carry out its responsibilities under this Contract, the Department may revoke the Grantee's authority to draw against the reservation described in this Contract until the Department and the Grantee agree on a plan to remedy the deficiency.
- (i) The Department of Commerce reserves the right to withdraw a commitment for any CDBG funds which remain unobligated 24 months after the date of the announcement of the tentative grant award, which was \_\_\_\_\_.

#### 8. LIAISON

\_\_\_\_\_, CDBG Program Specialist, is the Department's liaison with the Grantee regarding all administrative and technical matters concerning this Contract. \_\_\_\_\_ is the Grantee's liaison with the Department for administrative and technical matters.

#### 9. OWNERSHIP AND PUBLICATION OF MATERIALS

All reports, information, data, and other materials prepared by any contractor or subcontractor pursuant to this Contract are to be the property of the Grantee and the Department which have exclusive and unrestricted authority to release, publish or otherwise use, in whole or in part, information relating thereto. No material produced in whole or part under this Contract may be copyrighted or patented in the United States or in any other country without the Department's prior written approval.

#### 10. ACCESS TO RECORDS AND PROJECT MONITORING

- (a) The Grantee will maintain adequate and reasonable records of its performance under this Contract and will allow access to these records at any time during normal business hours by the Department, the U.S. Department of Housing and Urban Development, the Comptroller General and, when required by law, the Montana Legislative Auditor. These records will be kept in the Grantee's offices in \_\_\_\_\_, Montana.
- (b) The Department or its agents may monitor and inspect all phases and aspects of the Grantee's performance to determine compliance with the Scope of Work, and other technical and administrative requirements, including the adequacy of the Grantee's

records and accounts. The Department will advise the Grantee of any specific areas of concern and provide the Grantee opportunity to propose corrective actions acceptable to the Department.

- (c) The Grantee agrees to provide the Department, Legislative Auditor, or their authorized agents, access to any records necessary to determine contract compliance. The Grantee agrees to create and retain records supporting the services rendered or supplies delivered for a period of three years after either the completion date of the Contract or the conclusion of any claim, litigation, or exception relating to the Contract taken by the State of Montana or third party.

## 11. PROJECT PROGRESS REPORTING

- (a) During the term of this contract, the Grantee will submit a project progress report to the Department during each quarter for the periods ending March, June, September, and December. This report will describe the status of the project with respect to each implementation objective including, at a minimum, the percentage of the project which has been completed, costs incurred, funds remaining and anticipated completion date. The report must also describe any significant problems encountered and any necessary modification of the project scope or implementation schedule that are being requested.
- (b) The Grantee will submit the project progress report to the Department within 15 days of the close of each quarter. The Department will not honor claims for payment until the required quarterly report has been submitted to and approved by the Department. Project Progress Reports submitted during a quarter in conjunction with a Request for Payment will satisfy the quarterly progress-reporting requirement.

## 12. EQUAL EMPLOYMENT OPPORTUNITY

The Grantee shall, in performance of work under the Contract, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Grantee subjects subcontractors or subrecipient entities to the same provision. The Grantee agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the Contract.

## 13. AVOIDANCE OF CONFLICT OF INTEREST

The Grantee will comply with the provisions of the applicable HUD regulations of 24 CFR 570.611 Subpart J; and with sections 2-2-121, 2-2-201, 2-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, (as applicable) regarding the avoidance of conflict of interest.

#### 14. MODIFICATION AND ASSIGNABILITY OF CONTRACT

This Contract contains the entire agreement between the parties, and no statements, promises, or inducements made by either party, or agents of either party, which are not contained in or authorized by this written Contract, are valid or binding. This Contract may not be enlarged, modified, or altered except upon written agreement by all parties. The Grantee accepts responsibility for the adherence to the terms of this Contract by subcontractor or subrecipient entities and by public or private agents or agencies to which it delegates authority to carry out portions of this Contract.

#### 15. SPECIAL PROJECT START UP CONDITIONS

The Grantee will not obligate or utilize funds for any activities provided for by this Contract until:

- (a) The Grantee completes an Environmental Review Record and the Department issues a Notice of Release of Funds; however, upon receiving written authorization from the Department, the Grantee may incur administrative costs necessary for the preparation of the Environmental Review Record and for planning activities defined as exempt under 24 CFR part 58.34.
- (b) The Grantee submits to the Department evidence of the firm commitment of the other resources necessary for the completion of the project as defined in Section 5 and Attachment B of this Contract.
- (c) The Grantee submits to the Department an acceptable project management plan and implementation schedule.
- (d) The Grantee completes the civil rights activities described in Chapter 5, "Civil Rights," of the CDBG Administrative Manual. The Department may approve in writing a deferral of certain elements of this requirement until the Grantee submits its conditional closeout report.
- (e) .... [other special conditions, as needed].

**Within six months of the date of the announcement of the application funding status by the Department, the Grantee will have completed all necessary arrangements to assure that those resources are available for commitment to and participation in the project in order to guarantee timely project completion.** Unless the Grantee can demonstrate the existence of unusual or extenuating circumstances that justify an extension of time, the Department will withdraw the tentative award and reallocate the funds.

The Department will not release any CDBG funds to the Grantee until the Grantee has obtained firm commitments for all non-CDBG resources to be involved in the project. The Grantee may not expend or obligate any CDBG funds, other than for administrative purposes, until the Department determines that this condition has been satisfied.

## 16. CONSTRUCTION AND VENUE

This Contract will be construed under and governed by the laws of the State of Montana. In the event of litigation concerning it, venue is in the District Court of the First Judicial District in and for the County of Lewis and Clark, State of Montana.

## 17. HOLD HARMLESS AND INDEMNIFICATION

- (a) The Grantee waives any and all claims and recourse against the Department and the State of Montana, including the right of contribution, for loss or damage to persons or property arising from, growing out of, or in any way connected with or incidental to the Grantee's or any subrecipient's performance under this Contract.
- (b) The Grantee agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Grantee's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Grantee and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under the Contract.

## 18. CONTRACT AMENDMENT

- (a) The Grantee may request that this contract be amended. However, the Department will allow an amendment only if the Grantee clearly demonstrates that the  
  
modification is justified and will enhance the overall impact of the original project. The Department will consider each request to determine whether the modification is substantial enough to necessitate reevaluating the project's original ranking. If warranted, the Department will analyze the impact of the proposed modification on the scores assigned the Grantee's application in the original grant competition.
- (b) The Department will not approve amendments to the scope of work or the budget that will affect high priority activities or improvements that would materially alter the circumstances under which the grant was originally ranked.
- (c) If the Department determines that the proposed amendment represents a substantial change in the project activities proposed in the original application for CDBG funds, the Grantee will hold a local public hearing on the amendment with reasonable notice.

## 19. PROPERTY MANAGEMENT

Title to real property or equipment acquired under a grant or subgrant will vest upon acquisition in the Grantee or subgrantee. The Grantee or subgrantee will use, manage, and dispose of this property or equipment in accordance with the requirements set out in 24 CFR Part 85, Subpart C and 24 CFR Part 570, Subpart J.

## 20. TERMINATION OF CONTRACT

This contract may be terminated as follows:

- (a) **Termination and Modification Due to Loss of Funding.** If, for any reason, the state or federal financial resources required by the Department to fund the Grantee's project are withdrawn from the Department, the Department may unilaterally terminate or modify the terms of this Contract to reflect the loss of funding. If a termination or modification is required, the Department will, to the extent permitted by available CDBG funds, compensate the Grantee for eligible work elements the Grantee has completed and for actual, necessary and eligible expenses incurred by the Grantee as of the revised termination date. The Department will give the Grantee written notice of the effective date of the modification or termination of this Contract and, if a reduction in funding is required, will provide the Grantee with a modified project budget.
- (b) **Termination Due to Noncompliance with Contract Terms.** If the Department determines that the Grantee has failed to comply with the general terms and conditions of this Contract, the project schedule, or any special conditions, and if upon notification of the defect the Grantee does not remedy the deficiency within a reasonable period to be specified in the notice, the Department may terminate this Contract in whole or in part at any time before the date of completion. The Department will promptly notify the Grantee in writing of the decision to terminate, the reasons for the termination, and the effective date of the termination.
- (c) **Termination Due to Adverse Environmental Impact.** This Contract will terminate at the conclusion of the environmental review process if the Grantee or the Department determines that the project would have a significant adverse impact on the quality of the human environment and that this impact cannot be avoided or sufficiently mitigated by reasonable, cost-effective means.
- (d) **Effect of Termination.** In the event of termination due to the Grantee's failure to comply with the terms of this Contract or the project's adverse environmental impact, any costs incurred will be the responsibility of the Grantee. However, at its discretion, the Department may approve requests by the Grantee for reimbursement of expenses incurred. The Department's decision to authorize payment of these costs or to recover expended CDBG funds will be based on a consideration of the extent to which the expenditure of those funds represented a good faith effort of the Grantee to comply with the terms of this Contract and on whether any failure to comply with the terms of this Contract was the result of circumstances beyond the Grantee's control.



## 21. COMPLIANCE WITH WORKERS' COMPENSATION ACT

The Grantee accepts responsibility for the adherence to the Montana Workers' Compensation Act by subcontractors or subrecipient entities and shall ensure that all subcontractors or subrecipient entities provide proof of workers' compensation insurance or exemption from the need for such insurance while performing work under this Contract. Neither the Grantee nor its employees are employees of the State.

## 22. FORCE MAJEURE

Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

## 23. SEPARABILITY

A declaration by any court, or any other binding legal source, that any provision of the Contract is illegal and void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually dependent.

## 24. NOTICE

All notices required under the provisions of the Contract must be in writing and delivered to the parties' liaisons either by regular mail or personal service.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties have executed this Contract.

Grantee:

\_\_\_\_\_

Department of Commerce:

\_\_\_\_\_  
Tony Preite, Director  
Montana Department of Commerce

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

**ATTACHMENT A**  
**QUARTERLY PROJECT IMPLEMENTATION SCHEDULE**  
**Contract # MT-CDBG- \_\_\_\_\_**

| TASK  | <u>QUARTERS.</u> |              |              |              | <u>QUARTERS.</u> |              |              |              |
|---|------------------|--------------|--------------|--------------|------------------|--------------|--------------|--------------|
|   | 1st<br>J F M     | 2nd<br>A M J | 3rd<br>J A S | 4th<br>O N D | 1st<br>J F M     | 2nd<br>A M J | 3rd<br>J A S | 4th<br>O N D |
| <b><u>PROJECT START UP</u></b>  |                  |              |              |              |                  |              |              |              |
| Attend Grant Admin. Workshop  |                  |              |              |              |                  |              |              |              |
| Sign CDBG Contract  |                  |              |              |              |                  |              |              |              |
| Prepare Management Plan   |                  |              |              |              |                  |              |              |              |
| Establish Project Files   |                  |              |              |              |                  |              |              |              |
| Submit Signature & Depository Forms   |                  |              |              |              |                  |              |              |              |
| Submit Budgetary Resolution   |                  |              |              |              |                  |              |              |              |
| <b><u>PROJECT DESIGN</u></b>  |                  |              |              |              |                  |              |              |              |
| Complete Preliminary Design   |                  |              |              |              |                  |              |              |              |
| Complete Project Design   |                  |              |              |              |                  |              |              |              |
| Submit Plans to MDEQ  |                  |              |              |              |                  |              |              |              |
| Prepare Bid Documents   |                  |              |              |              |                  |              |              |              |
| Secure Wage Determination   |                  |              |              |              |                  |              |              |              |
| <b><u>ADVERTISEMENT FOR CONST. BID</u></b>                                    |                  |              |              |              |                  |              |              |              |
| Review Contract Requirements  |                  |              |              |              |                  |              |              |              |
| Public Bid Advertisement  |                  |              |              |              |                  |              |              |              |
| Open Bids & Examine Proposals   |                  |              |              |              |                  |              |              |              |
| Request Contract Debarment Review   |                  |              |              |              |                  |              |              |              |
| Select Contractor & Award Bid   |                  |              |              |              |                  |              |              |              |
| Conduct Pre-Construction Conference   |                  |              |              |              |                  |              |              |              |
| Issue Notice to Proceed   |                  |              |              |              |                  |              |              |              |
| <b><u>PROJECT CONSTRUCTION</u></b>  |                  |              |              |              |                  |              |              |              |
| Begin Construction  |                  |              |              |              |                  |              |              |              |
| Monitor Construction (Engineer & Contractor)                                  |                  |              |              |              |                  |              |              |              |
| Conduct Labor Compliance Reviews, Weekly Payroll Reviews, Employee Interviews |                  |              |              |              |                  |              |              |              |
| Hold Construction Progress Meeting  |                  |              |              |              |                  |              |              |              |
| Final Inspection  |                  |              |              |              |                  |              |              |              |
| <b><u>PROJECT CLOSE OUT</u></b>   |                  |              |              |              |                  |              |              |              |
| Submit Final Drawdown   |                  |              |              |              |                  |              |              |              |
| Determine Audit Requirements  |                  |              |              |              |                  |              |              |              |
| Project Completion Report   |                  |              |              |              |                  |              |              |              |
| Submit Conditional Closeout   |                  |              |              |              |                  |              |              |              |
| Submit Final Closeout Certification   |                  |              |              |              |                  |              |              |              |

**ATTACHMENT B**

BUDGET FORM FOR MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

Contract MT-CDBG-\_\_\_\_\_

| ADMINISTRATIVE/<br>FINANCIAL COSTS          | SOURCE: | SOURCE: | SOURCE: | SOURCE: |  | TOTAL |
|---|---------|---------|---------|---------|--|-------|
| Personnel Costs                             |         |         |         |         |  |       |
| Office Costs                                |         |         |         |         |  |       |
| Professional Services                       |         |         |         |         |  |       |
| Legal Costs                                 |         |         |         |         |  |       |
| Audit Fees                                  |         |         |         |         |  |       |
| Travel & Training                           |         |         |         |         |  |       |
| Loan Fees                                   |         |         |         |         |  |       |
| Loan Reserves                               |         |         |         |         |  |       |
| Interim Interest                            |         |         |         |         |  |       |
| Bond Cost                                   |         |         |         |         |  |       |
| TOTAL<br>ADMINISTRATIVE/<br>FINANCIAL COSTS |         |         |         |         |  |       |
| ACTIVITY COSTS:                             |         |         |         |         |  |       |
| Preliminary Engineering                     |         |         |         |         |  |       |
| Final Engineering Design                    |         |         |         |         |  |       |
| DEQ Plan Review                             |         |         |         |         |  |       |
| Construction Inspection                     |         |         |         |         |  |       |
| Construction                                |         |         |         |         |  |       |
| Contingency                                 |         |         |         |         |  |       |
| TOTAL ACTIVITY<br>COSTS                     |         |         |         |         |  |       |
| TOTAL PROJECT<br>COSTS (est)                |         |         |         |         |  |       |